

EXHIBIT 3

MEMO RE: WILSON ISSUES / DISCUSSIONS / FEES / FUTURE

From: MJF – Doctor / Slave of Vertical Legal Work
To: MEL – Doctor of Horizontal Recreation
Date: December 19, 1994
Subject: WE WON! Wilson Settlement. Great Celebration!

NOTES OF OUR DISCUSSIONS: WE NEED TO SIGN.

1. First. We have discussed this now ad nauseam – copyrights /publishing. When we took the case and embarked on this journey 3 years ago, the goal was to recover songwriting credit and the copyrights for your songs, plus money damages for the past frauds, royalties lost, copyright income lost, etc. These are very complex damages calculations in the context of decades of records covering past money damages from both the lost songwriter royalties AND the copyright income earned by AI from the date of the copyright recording on the songs to the present. Additionally, the discounted projections for future songwriting royalties and future, discounted projections for copyright income is potentially over \$100M. The past songwriter losses appear to be at least \$20M, but we can only calculate past lost copyright income from past songwriter income percentages. This is complex. As you know and have discussed, we retained Robert Hall, a leading economist (\$\$\$\$\$) to make these calculations. He is prepared to testify that the projected future, discounted value of both the royalty stream and the copyrights is over \$50M, and depending on many variables, possibly as much as \$100M. We don't yet have his report but he has substantial underlying documents to prepare it. You are forfeiting that money in this settlement except for what you can collect from Tierney, and the other discussed defendants, which raises deep pocket issues.
2. The complexity in this calculation increases by both the now 25 – 30 year time lag and document availability; and, more importantly, the legal fallout from the Rondor settlement. We discussed this at length before that settlement. Although we sued Ronder and MSK to get the copyrights back,

we gave that up for \$1.6M as we discussed at the time. Also discussed were the claims v Brian, and others - most importantly, the deepest pocket – Gibson, Dunn and Crutcher. That is why we exempted them in the Rondor settlement. The real monetary value of the copyrights now lost, past and present, can potentially ONLY be recovered from Gibson, which involves Kory issues. His testimony in the pre trial hearings and in trial was stellar on the most critical issues. We have discussed this problem almost daily for three years. But he and GDC were grossly negligent for not interpleading you into the Wilson v Rondor case in order to protect your copyrights. That is where they were lost – hence we settled with Rondor because your copyrights were effectively lost in that case. Complex divisibility issues in the context of litigation? But if we did proceed against BW in this case to final judgment, then sued GDC and got more money – the copyrights are still gone - and if Kory flipped on us – he is bound by his sworn testimony - there are numerous, complex issues relating to Wilson filing motions to overturn the judgement, Kory issues with your new wife(?). Significantly, undoing the Rondor settlement involves the security agreements we gave Rondor! Then Rondor could go after you and our contracts on our fees. Bottom line – in this Wilson settlement, you get songwriting credit and a small fraction of the past royalties due while giving up copyright damages past and future in the tens of millions – likely over \$50M plus punitives for the fraud claims in the verdict.

3. As discussed, fraud is not dischargeable in bankruptcy. Their threats to file are severely undercut by the multiple fraud claims in the verdict. But BW's incompetency – which we have prevailed on so far – may become a factor in bankruptcy, notwithstanding legal doctrines emanating from this case making the incompetency issues likely in our favor. The future on this issue is also complex and uncertain. Then you have BW's resources issue. You have repeatedly said you do not want to wipe him out or take his future royalty income. I agree it is draconian.
4. Our fees. As discussed over the weekend, obviously the settlement monies cannot pay 30% of the “present value” under our agreements of what we have recovered for you – future songwriter royalties and other rights involving the songs, known and unknown at this point. This also is a complex issue. The cash portion of both the Rondor (25%), and this settlement are simple – 30% as agreed in the September, 93 amended fee agreement with no capped percentages. Going forward against Tierney,

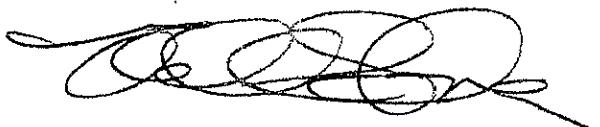
Branca and GDC is also simple – 30% of what we collect from Tierney for your \$2,250,000 portion with no capped percentages; ; 30% of what we collect for you over that amount, but we can only charge BW 15% for his portion.

5. The “present value” provision of our fee agreement, as discussed, is more complex, but I think it is covered by our amended fee agreement. I understand you spoke to George Ashley and he has suggested, and you have asked us to take 30% of the royalty stream until, if ever, you sell your royalties and all other rights to the 35 songs we recovered. We have agreed based on the agreement we already reached in the amended fee agreement that whatever you own, we own 30% of it. Since we are now looking into the future, which is contemplated in our original fee agreement, with the “gross recovery” and “gross amounts” and present value” provisions but subject in that agreement to scaled percentages and caps, which are now out, neither one of us has a crystal ball. Robert Hall fixes “present value” for future rights at over \$50M, which you obviously cannot pay. We agree that the simplest way to handle it is that you pay us from the royalty stream for these songs and whatever rights you own in the songs, past, present and future, 30% of those bundle of rights and monies belong to us.
6. Next, but not an insignificant problem - the proposed settlement agreement we are signing, presumably tomorrow, has some troublesome provisions we have discussed at length. One provides that Jerome Billet, the GAL, our antagonist throughout this case, who backed Tierney, hired Crowe and Day, testified against us, and refused to settle at the outset, while offering us \$500,000, has joint decision making authority with us over the case, and if he deems the case “totally unmeritorious”, he can terminate it. Obviously, this impacts the \$2,750K owed to you on the \$5M judgment and the 30% owed to me from you on your money; and the 15% owed to me from Wilson. In sum, Billet could pull the rug out from the balance of these settlement funds we seek to collect from Tierney. As you know, we agreed to the 15% for Wilson to increase Brian’s and Billet’s motivation to stay in the case. Billet being who he is liked that deal.....BUT, Tierney and Billet have a long history and when we first started going after Tierney with demonstrative evidence, Billet continued to back him until we finally got Tierney DQ’ed. Suppose, Tierney makes a back door deal with Tierney? There is a provision that the probate judge has the final authority on this

which should keep Billet honest, and the money incentivizes Brian, so I think we are ok, but this issue is significant.

7. The last discussable problem among many, but needed to memorialize in this memo is “confidentiality.” There is a confidentiality provision in the settlement. We fought with them at length over the language in this provision. You have been vilified as one of the worst human beings on the planet by BW’s media driven machine for bringing this case. The media, as you know, ranges from abject hatred and disgust directed at both of us for suing a legally adjudicated “Genius” incompetent, to just plain greedy bottom feeders. The jury verdict says it all and is a public document, but I don’t think the BW media is going to let up and our hands will be tied in what we can say. You are in the public spotlight and you have to consider your career as the lead singer of the Beach Boys in terms of your ability to publicly respond to the facts and details of this case. I guess we will have to deal with it on a case by case basis. If you are ok with it, so am I. We need to get some finality to this 3 year war. It has almost killed me to get justice for you!

The last problem we have privately discussed are your brothers, Jackie, several Beach Boys band members, some of whom have cooperated with us to a degree on this case, and your request to keep many matters we have discussed privately between us. Essentially, we have been doing that discretely for three years knowing that there are major leaks within our camp. I understand that there are several individuals, one very close to you, whom you do not trust and do not want any “leakage” whatsoever – what you have described as “the Kory problem.” I agree. Those issues are just between us, but I don’t want someone coming forward in the future and claiming I had some duty of disclosure to them. In such a case, it will be your problem.

A handwritten signature in black ink, appearing to read "John Stumpf".